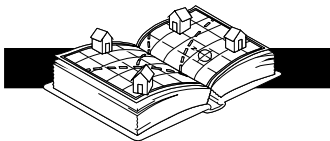




## About the Instructions

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**The 2005-07 budget instructions are organized in two parts**

The 2005-07 budget instructions have been issued in two parts.

Part 1: Strategic planning and performance measure instructions  
(issued November 4, 2003)


Part 2: Budget request instructions

We hope that this approach better supports the budget preparation needs of agencies, the Legislature, and OFM and that it enables us to make better use of the planning and performance information we need in evaluating budget proposals.

**What is in the Part 2 instructions?**

Part 2 of the 2005-07 budget instructions includes guidance on:

- Budget request basics – submittal components and format requirements,
- Producing decision package and Recommendation Summary documents,
- Items to include in carry-forward, maintenance, and performance levels,
- Allocating maintenance level subtotals and performance level decision packages to activities,
- Performance measure and activity description submittal requirements,
- Linking operating and capital budgets,
- Maintenance level, revenue and other coding requirements,
- Technology portfolios, and
- Developing good cost estimates.

**Look for the  sign to find items required for submittal**

We have used this symbol to help you find budget submittal requirements quickly.

**Timeline of major budget events in the current year**

For general planning purposes, here is a timeline of the major budget events in preparation of the Governor's budget.

## About the Instructions

April 2004	2005-07 OFM Budget Instructions Part 2 issued Activity Inventory updated for the 2004 Supplemental Budget Priorities of Government (POG) Results Teams convene Budget Development System available for 2005-07 budget development
May	Strategic Plans due on May 3 Results Teams recommend high-level purchase strategies Possible additional budget guidance sent to agencies
June	Compensation detail updated in the Compensation Impact Model
August-September 1	Agency budgets due
August-November	OFM and Governor's budget review
September	Results Teams reconvene Second-year estimate review due on September 30
Early November	Results Teams make purchase plan recommendations
November- Early December	Final budget decisions

Look for the  sign for new items.

We have used this symbol to flag requirements or tools that are new or changed from the instructions from last biennium. New in the instructions:

- **The Priorities of Government framework will be better integrated with the budget development process.** This year, OFM will convene teams of subject-matter experts around each of the 11 statewide results. The teams will be charged with recommending strategies and activity purchase plans that can best achieve results for citizens. (See Section 1.1.)
- **Agency budgets will now be developed by activity.** We have modified the agency and OFM budget development systems to enable the budget to be developed by activity as well as by increment. These systems now contain activity inventory description information that is linked to the budget database. Agencies must allocate the maintenance level subtotal and each performance level decision package to activities. (See Section 2.)

- **Agencies will not be required to submit compensation base information (B6) with the budget this year.** (See Section 7.)
- **Agencies will enter performance measure estimates into the new activity budgeting system.** Performance measures must now be linked to agency activities. Each activity must have at least one performance measure or a statement of expected results. (See Section 9.)
- **Agencies will review and confirm second-year expenditure estimates developed by OFM.** (See Section 13.6.)